

MINUTES

Seattle City Employees' Retirement System Regular Board Meeting

Wednesday, November 4, 2009 – 9:00 a.m.
Pacific Building, 10th Floor

Present: Jean Godden, Dwight Dively, Frank Mathews Mark McDermott, Lou Walter, Mary Norris, and Rod Rich

Also Present: Barbara Graham (ARSCE); Joanne Kinsella (ARSCE); Robert Sugden (ARSCE/RCLEA); Judy Flemings (ARSCE); Merle Overland (ARSCE); Ken Yeager (Retiree); Jim Taylor (ARSCE); Vernon Connally (ARSCE); Bill Kolden (RCLEA); Ken Hunich (ARSCE); Bill Kruller (ARSCE); Edie Jorgensen (ARSCE); Nick Collier (Milliman); William Song, Esq. (Song Mondress); Carlton Seu, Esq. (City Attorney's Office); Cecelia M. Carter (SCERS); Teresa M. Wells (SCERS)

Chairperson Jean Godden called the meeting to order at 9:00 a.m.

Cecelia Carter introduced Teresa M. Wells as the newly-hired Investment Strategic Advisor on-staff for the Retirement System. Teresa Wells gave a brief introduction of her education as well as her former employment background.

Public Comment: Speaking on behalf of the city retiree associations, a retiree expressed his interest in the discussion of having a mailing list of retirees for their newsletters mailings. Also to announce that ARSCE is having a Christmas party in December.

Minutes:

Motion: Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board approved the minutes from the October 7, 2009 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 8,067,352.83
Beneficiary	\$ 878,124.47
Disability	\$ 71,905.12
Pension Payroll – PPE October 31, 2009	\$ 9,017,382.42
Office Payroll – PPE September 1st, 15th & 29th, 2009	\$ 79,229.39
Vouchers Processed – September 30, 2009	\$ 94,633.56 *
* \$ 4,056.00 Expert and Consultant Services	

Immediate Withdrawals of Contributions for the month of October 2009:

MEMBER	DEPARTMENT NAME	POSITION
Watt, Micheale J	Library	AMHs System Supervisor
O'Claire, Sonja R	Parks	Recreation Attendant
Denton, Dorina L	City Light	Admin Specialist I
Camacho, Raymond Cruz	City Light	Executive 3, Director
Hair, Brandi Nichole	Library	Associate I

<i>MEMBER</i>	<i>DEPARTMENT NAME</i>	<i>POSITION</i>
Ruhli, Beatrice M	Police	Crossing Guard
Reyes, Brendalee Taningco	SPU	Utility Account Rep
Tesch, Katherine R	Parks	Lifeguard
Curry, Brad R	Parks	Laborer
Brader, Deborah Ann	Personnel	Administrative Assistant
Welsh, Debra E	Parks	Recreation Attendant
Scruggs, Rosemary	Police	Crossing Guard
Adams, Michelle C	Parks	Supervisor
Carney, Christina M	SDOT	Radio Dispatcher
Carter, Laurie J	TES	Admin Staff Assistant
Ehlers, Raechel Bronwyn	Parks	Lifeguard
Hastings, Meagan E	Law	Assistant City Attorney
Vieg, Susan	SPU	Water System Operation
Hildebrand, Terry L	Light	Meter Apprentice
Latimer, Katherine B	Parks	Cashier
Webley-Jaeger, Sharon Lynn	Police	Administrative Specialist I

21 Withdrawals for a total of: \$ 325,306.47

Motion: Upon motion by Lou Walter, seconded by Mary Norris, the Retirement Board ratified the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

Rod Rich joined the meeting at 9:10 a.m.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Bailey, Gail M.	10/01/09	20	125	Parks	Cashier	59
Burden, James M.	09/16/09	14	193	Seattle Center	Parking Attendant	63
Dagg, Carole L	09/09/09	3	303	Library	Vested	65
Degginger, Wendy C.	10/02/09	28	260	Library	Library Assoc. III	53
Fearn, Milton L.	09/09/09	11	300	Parks	Manager III	63
Flowers, Victoria J.	09/25/09	23	110	K.C. Health	Application Ref Coord	59
Foley, Nancy A.	09/16/09	30	31	Library	Librarian	63
Groom, Larry Dean	10/05/09	8	26	Municipal Court	Vested - Muni-Court	63
Guevarra, Felicidad Esteban	09/10/09	15	213	Police	Administrative Spec I	64
Ladiser, Craig R	09/30/09	8	308	DPD-Vested	Deputy Director	59
Lewis, Robert Samuel	10/09/09	15	241	City Light	Hydroelectric Maint Mech	60
Martin, Phister H.	10/02/09	22	16	City Light	Manager 2 , Utils	62
McCullough-Ellis, Julia M	10/03/09	17	183	Library	Library Assoc II	61
Moore, Dalene H	10/01/09	10	146	City Light	Vested – Light	62
Nelson, Frank R	09/16/09	40	57	SDOT	Civil Engineering Spec., Sr	62
Palafox, Librado S.	09/16/09	30	178	City Light	Mech Engineer, Assoc	62
Peterson, Donna Jean	10/01/09	33	43	K.C. Health	Shipping Clerk	55
Pippin, Judith E.	10/02/09	16	273	Legislative	Executive Manager	63
Smiley, Dee Ann	10/03/09	30	111	City Light	Manager III, Engineering & Plans Rev	63

<i>Retiree</i>	<i>Retire Date</i>	<i>Years Service</i>	<i>Days Service</i>	<i>Department Name</i>	<i>Position</i>	<i>Age</i>
Tamura, Mitsuru	09/11/09	34	341	SPU	Drainage & Wastewater Spec	69
Walker, Caroline A.	09/30/09	22	46	City Light	Accountant, Principal	65

Motion: Upon motion by Dwight Dively, seconded by Frank Mathews, the Retirement Board approved and ratified the service retirements listed above, pending final review.

For the month of October: 44 new members entered the System, 21 retired from the System, 3 retirement continuations due to death of retiree, 3 retirement adjustments due to social security payments beginning; 0 C-option expiration and 31 others terminated City employment.

Ratification of Investment Transactions and Statement of Securities and Cash:

Information: Provided in the Retirement Board packet is the Investment Summary reports that represent the transaction summary and the market value of the investments as of September 30, 2009. (*Attachment #2*)

Investment Committee Report:

Information: The Investment Committee is scheduled to next meet at noon on Thursday, November 19, 2009 in the Retirement Office.

- Report on the Investment Committee meeting held October 29, 2009
 - Reams Asset Management Company (Reams) and Western Asset Management Company were on "Watch" recommendation. Pension Consulting Alliance (PCA) recommended that Reams be removed from the watch status given the strong relative and absolute performance. Western Asset will remain on the watch to be reviewed in the next 6 to 9 months.
 - Nogales Fund II is being reclassified from Mezzanine debt to Private Equity on the SCERS Investment Summary Report.
 - Discussion on MKA Real Estate Opportunity Fund. They appear to be impaired and SCERS will recognize the impaired value on the reporting summary.
 - There was an influx of cash on BNY Mellon due to liquidation of AETOS. We will move \$10 million at the end of this week to the City cash account.

Motion: Upon motion by Mark McDermott, seconded by Lou Walter, the Retirement Board accepts the Investment Summary report.

Executive Director Report:

- Cecelia Carter reminded the Board of the upcoming educational Board retreat on December 11, 2009.
- Due to personal reasons, Frank Mathews is retiring from his post as the member-at-large Board member and a replacement needs to be appointed. Mr. Mathews has been on the Board for 16 years. Ms. Carter posed the question on how do we proceed with this action? Does the Board want to open this position to the public or have the Board members offer candidates? The Seattle Municipal code states that the individual who will take the seat as a Board member has to be from the community-at-large, have a background in finance, and has no vested interest in the Retirement System. Carlton Seu read the provision to the Board for clarification. Further discussion on this matter took place. Note that if this process is opened to the public, it will take

longer as the candidate will be scrutinized thoroughly. Mark McDermott stated that there is a city department that can help with the process if we are to open it to the public. Lou Walter liked the idea of having some process regarding decision and the opportunity for some people to try it out. If the city has the resources to help out, they would like to take advantage of it. Mark thought it was a good idea as well.

Motion: Upon motion by Lou Walter, seconded by Rod Rich, the Executive Director is to set up a process to replace the at-large Board Administrator.

Dwight made a request to commemorate Frank Mathews' 16 years of service.

- Speaking of new hires, Ms. Carter stated that a new candidate for the Finance and Operations Manager position was identified. An offer has not been made as of the date of this meeting.

Old Business:

(1) Status of Benefit Enhancements

Information: The **estimated** current funding level of the Retirement Fund is 64.19% as of September 30, 2009

The above amount is an estimate calculated each month by the Retirement Office staff. As provided by Ordinance 120685, changes to the Floor COLA will occur once the funding level has reached at least 100% and has been confirmed by the Board after commissioning an actuarial valuation.

New Business

None

Executive Session

The Board reserves the right to enter into executive session if necessary.

- The Board entered into Executive Session to discuss legal implications on personal addresses shared with retiree association at 9:20 a.m.

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Board went into Executive Session.

Motion: Upon motion by Lou Walter, seconded by Frank Mathews, the Board came out of Executive Session at 9:39 a.m.

The retirees came back to the meeting to discuss the mailing list request. After further discussion, it was decided that the Retirement System will manage the mailing list. An annual newsletter will be generated by the retiree association and mailed out with the System managing the process. However, the respective retiree associations will be responsible for the incurred mailing expenses. A final decision has not been made regarding details of how this is going to work out. This issue is still ongoing.

- The Board entered into a second executive session at 9:49 a.m. to discuss interpretation of Ordinance # 120656 by Board of Administration.

Motion: Upon motion by Rod Rich, seconded by Lou Walter, the Board came out of executive session at 10:30 a.m.

No actions were taken.

Adjournment:

Motion: Upon motion by Frank Mathews, seconded by Dwight Dively, the Retirement Board voted to adjourn the meeting at 10:32 a.m.

Mark McDermott, Secretary